

(This document comprises news clips from various media in which Balmer Lawrie is mentioned, news related to GOI and PSEs, and news from the verticals that we do business in. This will be e-mailed on every Monday.)

No economic turnaround till 2018: IMF

Global economy will take a decade to recover from the financial crisis, says Olivier Blanchard, the International Monetary Fund's Chief Economist.

The International Monetary Fund's chief economist has warned that the global economy will take a decade to recover from the financial crisis as the latest snapshot of the U.K. economy suggested that growth in the third quarter will be at best anaemic.

Olivier Blanchard said he feared the eurozone crisis, debt problems in Japan and the U.S., and a slowdown in China meant that the world economy would not be in good shape until at least 2018. "It's not yet a lost decade," he said. "But it will surely take at least a decade from the beginning of the crisis for the world economy to get back to decent shape.

The Hindu - 04.10.2012

<http://www.thehindu.com/business/Economy/no-economic-turnaround-till-2018-imf/article3964202.ece>

FDI alone won't resolve backend issues of retail: Plan panel

As the country debates the benefits of allowing 51% Foreign Direct Investment (FDI) in multi-brand retail, the Planning Commission in its draft 12th five-year plan document has said that FDI alone won't be enough to resolve backend issues of retail trade that has so far held back big domestic investment in the area.

The draft document said that though FDI has the potential to link farmers to wider markets by expanding exports, experience from 11th five year plan shows that legitimate concerns remain of front-end investment outpacing backward linkages, which could lead to more imports and lower farm prices. The document was discussed at a meeting of the full Planning Commission chaired by Prime Minister Manmohan Singh last month.

Business Standard - 02.10.2012

<http://www.business-standard.com/india/news/fdi-alone-wont-resolve-backend-issuesretail-plan-panel/189356/on>

Government approves 12th five year plan

The government on Thursday approved the 12th five year plan (2012-17) document that seeks to achieve annual average economic growth rate of 8.2 per cent, down from 9 per cent envisaged earlier, in view of fragile global recovery.

"The Union Cabinet also discussed the draft 12th five year plan (2012-17) and approved the draft and directed that the draft be placed before the National Development Council (NDC)," finance minister P Chidambaram told reporters here. He further said, "The projected average rate gross capital formation in the 12th Plan is 37 per cent of GDP. The projected gross domestic savings rate is 34.2 per cent of GDP and the net external financing needed for macro-economic balance has been placed at 2.9 per cent of GDP.

The Times of India - 04.10.2012

<http://timesofindia.indiatimes.com/business/india-business/Government-approves-12th-five-year-plan/articleshow/16672927.cms>

Government plans to sell surplus land to ease fiscal crunch

The Centre is ready with an ambitious plan to sell surplus government land to generate cash to ease financial pressures, as suggested by the Vijay Kelkar committee on fiscal consolidation.

A Cabinet note prepared by the finance ministry within days of the Kelkar panel submitting its recommendations says that proceeds from the sale or lease of surplus land, seen as a non-performing asset, would be used only to repay loans or create capital assets that will generate recurring revenue. The upfront statement of objective is apparently a counter to any criticism that the government is selling family silver to feed its populist policy impulse.

The Times of India - 03.10.2012

<http://timesofindia.indiatimes.com/business/india-business/Government-plans-to-sell-surplus-land-to-ease-fiscal-crunch/articleshow/16647260.cms>

Corporate governance in focus as divestment gathers steam

State-owned electric utilities firm Powergrid Corporation is facing the heat over validity of appointment of four directors — Ravi P Singh, R P Sasmal, Santosh Saraf and Rita Sinha. According to proxy advisory firm Stakeholders Empowerment Services (SES), the four directors cannot continue since their appointments have not been ratified by the shareholders in the recently-concluded annual general meeting (AGM). "The continuance of these four directors in office is not legally tenable," said J N Gupta, managing director, SES.

SES had flagged the issue in its report last month ahead of the AGM. "Shareholders should note that four directors have been appointed since the last AGM. Their appointment is not ratified by the shareholders yet. Further, the company has not proposed any resolution in the ensuing AGM for the same," the report said.

Business Standard - 03.10.2012

<http://www.business-standard.com/india/news/corporate-governance-in-focus-as-divestment-gathers-steam/488334/>

Government keen on speeding up reforms, P Chidambaram assures India Inc

Finance Minister P Chidambaram on Wednesday assured industry leaders that the government will work towards passing key legislations such as Insurance Bill in the Winter session of Parliament, and sought their help in convincing the opposition to support economic reforms.

The Economic Times - 04.10.2012

<http://economictimes.indiatimes.com/news/economy/indicators/government-keen-on-speeding-up-reforms-p-chidambaram-assures-india-inc/articleshow/16661626.cms>

Govt initiates online data collection to monitor vacancies in reserved posts

The government has, for the first time, initiated an online data collection exercise on "representation of SCs, STs, OBCs and persons with disabilities" in all ministries and departments including public sector undertakings to know the vacancy position on real-time basis. All the ministries departments and PSUs including banks or financial institutions are expected to submit their data online on number of reserved category employees and existing vacancies by October 15.

The Times of India - 05.10.2012

<http://timesofindia.indiatimes.com/india/Govt-initiates-online-data-collection-to-monitor-vacancies-in-reserved-posts/articleshow/16681938.cms>

Bengal PSUs' register losses mount to Rs 812 crore

In spite of nearly a decade long effort to revive the fortunes of public sector undertakings in West Bengal, the huge losses by them continue to strain the cash-strapped coffers of the state. Recent report of the comptroller and auditor general (CAG) on West Bengal, points out, during 2010-11, out of 72 working PSUs, 30 PSUs earned a profit of Rs 550 crore, while 40 PSUs incurred a loss of Rs 812 crore.

In addition, the government contributed Rs 982 crore towards equity, loans and subsidies during 2010-11 in running of the PSU. Moreover, a review of three years audit report of CAG shows, that state PSUs, losses to the tune of Rs 6,072 crore could have been controlled with better management, CAG pointed in its report. The PSUs in West Bengal contribute about 5% to the turnover of GDP. The working PSUs in the state registered a turnover of Rs 23,319 crore for 2010-11.

Business Standard - 03.10.2012

<http://www.business-standard.com/india/news/bengal-psus-register-losses-mount-to-rs-812-crore/189531/on>

Plan spend may be cut to meet fiscal deficit target

The finance ministry may soon suggest a cut in the government's Plan expenditure to meet its fiscal deficit target of 5.1 per cent of gross domestic product in 2012-13. While the extent of the cut has not yet been finalised, senior government officials said the axe was likely to fall on unimplemented central schemes, which were approved in the 2012-13 Budget.

Rediff - 04.10.2012

<http://www.rediff.com/business/report/plan-spend-may-be-cut-to-meet-fiscal-deficit-target/20121004.htm>

4.15 lakh foreigners came to India in Sept

The month of September saw 4.15 lakh foreign tourists coming to India, registering a growth of 3.2 per cent than the 4.02 lakh figure for the same period last year. Foreign exchange earnings from tourism during September were Rs 6,652 crore as compared to Rs 5,748 crore in September 2011, an increase of 15.7 per cent, according to Tourism Ministry data.

The Economic Times - 05.10.2012

<http://economictimes.indiatimes.com/news/news-by-industry/services/travel/4-15-lakh-foreigners-came-to-india-in-sept/articleshow/16685570.cms>

IATA raises profit outlook for world's airlines

The world's airlines have raised their profit forecasts for 2012 and expect improved performance in 2013 as efforts by North American airlines to trim capacity have boosted margins and demand in Asia has held up despite a weak global economy, the International Air Transport Association (IATA) said on Monday.

The Economic Times - 01.10.2012

http://articles.economictimes.indiatimes.com/2012-10-01/news/34198332_1_tony-tyler-iata-net-profit

Cox & Kings plans to diversify in next fiscal

Cox and Kings Ltd, one of India's oldest travel agents, will sell more profitable products, including specialized international school trips, children's adventure holidays and study tours, in the next financial year as part of a diversification plan. Specialized educational trips for age groups of 8-11 and 11-18 are niche products of Holidaybreak Plc., which Cox and Kings bought recently. Peter Kerkar, 49, director at Cox and Kings, said Holidaybreak's revenue contributes about half of the group's total revenue.

Mint - 01.10.2012

<http://origin-www.livemint.com/Companies/feeXn4yMkJ1Nc0MPg0eulI/Cox--Kings-plans-to-diversify-in-next-fiscal.html>

Creating infrastructure for growth

In a bid to develop world-class economic hubs in Gujarat, the state government has set its focus on infrastructure development, and is developing additional port capacities for marine trade, special investment regions (SIRs) and manufacturing as well as logistics parks and services.

With a coastline of over 1,600 km — longest among all states in the country — Gujarat has over 40 non-major ports adding to the economic prosperity of the state. According to a report of the Union ministry of road transport and highways — An Update on Indian Port Sector — Gujarat accounted for 73.7 per cent (or 259 million tonnes) of the 351.5 million tonnes of traffic handled by non-major ports in India in 2011-12.

Business Standard - 27.10.2012

<http://www.business-standard.com/india/news/creating-infrastructure-for-growth/487716/>